

GREAT BASIN COLLEGE FOUNDATION
Board of Trustee Meeting
VIA ZOOM

Thursday, May 21, 2020, at 12:15 pm

MINUTES

1. Call to Order

2. Roll Call:

Dr. Robert Colon (Chair)-Present	Zach Gerber-Absent	Chris Johnson-Present
Kaley Sproul-Present	Mark Laffoon-Present	Danny Gillins-Present
Caroline McIntosh-Present	Tana Gallagher-Present	James Glennon-Present
John Pryor-Present	Holly Wilson-Present	Gregory Hafen-Absent
Dave Roden-Present	Molly Popp-Present	

Others Present: Matt McCarty, Director
Kelli Baker, Administrative Assistant
Joyce Helens, President
Sonja Sibert, Vice President Business Affairs
Brian Zeiszler, Faculty Senate
George Kleebe, Faculty Senate
Vic Redding, UNR

3. Public Comment (see notation below regarding public comment). **Information Only**
None.

4. Approval of Minutes – Dr. Robert Colon
GBC Foundation Trustees will review, recommend changes, and/or approve the minutes of the GBCF Board of Trustees Meeting on January 23, 2020. Due to Covid-19, the March 19 Board of Trustees Meeting was cancelled. **Possible Action**

5. President's Report – President Joyce Helens. **Information Only**
President Helens may give an update on GBC matters (possibly reporting remotely).
a. An update on Accreditation Visit and Talking Points. **Information Only**

President Helens reported that so much has happened over that last two months, but the good news is before the College shut down due to COVID19, is we were pleased we did not need to utilize funds of the Foundation. President Helens explained that the College has facilitated under the Governor's direction, there have been no layoffs and there were exceptions on the hiring freeze. President Helens explained there are no layoffs built in plan, but people are worried. President Helens stated that the FTE's were up by almost 25% and that is where the

College gets reimbursed. She explained the Governor can cut up to 15%, which is why he asked the institutions for their plans, but anything more requires a special session of the Legislation, which President Helens understand he may call for two special meetings, one in June and one in August. President Helens said they are expecting furloughs to be activated, what has not been determined is the percentage, maybe a day a month. President Helens said the State deficit is about 1 billion and she is not sure how much of the rainy-day fund they will utilize, but she doesn't imagine it would be less than 14%. President Helens explained the only thing that is in our control is a plan to follow to remain flexible for students, that the College did receive permission to finish out the CTE students and we had special authorization for nurses to finish so they could graduate and all of the nurses except for one passed the national exam, we excel in difficult circumstances.

President Helens reported they received permission to continue with the welding and diesel, which started again on Monday, with no more than ten people in one class. She went on to say all masks were donated by Vogue Laundry, and all guidelines are being followed that the State has put out. President Helens stated that summer enrollment increased by 20% and that text messages are being sent to students to remind them their education matters. President Helens stated the Winnemucca Project, along with the Welding Project, looks good for the Board of Regents meeting.

Vice President Sibert stated that the 800 cloth masks that were donated by Vogue is greatly appreciated.

Chair Colon inquired about the Berg Hall remodel? Vice President Sibert stated that was presented to the Board of Regents and is now part of an NSHE wide deferred maintenance request that is going forward to Legislature. She reported they also took the Welding and Winnemucca project, along with the planning of the Pahrump campus.

6. Controller's Office Update – Sonja Sibert/Tami Potter.

Information Only

The Board may receive an update from the GBC Controller's Office (possibly reporting remotely).

a. History of GBC Endowment Funds held by NSHE Central Endowment. **Information Only**

Vic Redding, Vice President, Administration and Finance at the University of Nevada, Reno and Sonja Sibert, Vice President for Business Affairs at Great Basin College will provide an overview of the circumstances related to GBC Foundation's transfer of some of its assets to the NSHE Endowment Pool in 2017.

Mr. Redding stated that previously former Regent Melcher and former President Curtis discussed the GBC Foundation holdings in the Summer of 2015, they came up with an initiative that they pursued and enacted to move some of the holdings that the Foundation had into the NSHE Endowment. Mr. Redding stated in 2015 there was not anything wrong, they were looking at making things more efficient and effective. The endowment at the time was in the 6.5-million-dollar range and was doing well. The area of concern was it was mostly in equities and it was a good time to be in equities, but not a lot of diversification and the fees were high. Mr. Redding stated the primary concern was what would happen in a downturn. Mr. Redding went on to explain the system endowment was around 220 million dollars and managed by two investment firms and is doing well. It is a perpetual fund endowment structured for scholarships and operations and is intended to continue forever. It does not do well in shorter term holdings. Mr. Redding explained we are hoping

to look at operational efficiency. One issue is the cost of the external audit and by moving the majority of the holdings to NSHE the remainder is under the threshold for an audit. The process was started in Summer of 2015 a lot of cleaned up and moved about 32 separate endowments to NSHE, it was successful and the right thing for the Foundation at that time. Mr. Redding stated now he thinks the focus has changed or expanded to fundraising for capital projects.

Chair Colon inquired if things will stay the way they are or is there another tactic. Mr. Redding stated his thoughts are the NSHE Endowment works well for a level stream of income for long term but does not work well for not short-term holdings, if you are looking for capital. Trustee Laffoon recalled there were NSHE investments and most endowed monies, plus monies outside of NSHE which was shorter term, and that is why those were left outside of NSHE. Mr. Redding explained because so much money was left outside you are still incurring costs of the audit. Vice President Sibert stated that is correct, especially with all the money raised and for Winnemucca, it is over threshold and will need an audit. Vice President Sibert went on to explain there are 39 accounts held at the NSHE level and the market value is 7.9 million and that is significant for Foundation and there are three accounts that are underwater by \$1,000.00. Mr. Redding inquired if those are still held in three or four accounts. Vice President Sibert replied that there are three accounts over 1 million, two accounts over \$500,00.00, six accounts between \$100,000.00 to \$500,000.00, and all the other accounts are below \$100,000. Mr. Redding explained to the Board to think of it as a big mutual fund you are investing for and the authority is still with GBC for whatever investment works. Mr. McCarty stated that there is 7.9 million that is held at NSHE, 5.2 million is scholarships, 1.3 million is in the DWRF fund, \$750,000.00 is endowed non-scholarship funds, and \$634,000.00 is Board directed. Mr. McCarty asked about the 7.9 million in endowment pool, that if in normal years could you reduce your assets by that amount to get to auditable amount, and asked if that include pledges? Mr. Redding responded that the threshold for an entity is 1 million. Vice President Sibert also responded saying once your assets are above 6 million then it is an audit every year, it does include pledges. Mr. Redding explained the original plan was to transfer everything and the only thing left in checking account would be for operating needs, under 1 million to avoid audit. Chair Colon thanked Mr. Redding.

7. Faculty Senate Report – George Kleeb/Brian Zeiszler.

Information Only

The Board may receive an update from the GBC Faculty Senate.

Mr. Kleeb informed the Board that Mr. Zeiszler will be the incoming chair, along with Kevin Seipp. Mr. Kleeb thanked the Board saying he enjoyed coming to the meetings. Mr. Zeiszler asked what the Board would like for a report? Mr. McCarty said the faculty to bring information back to the Foundation, so it is really at the pleasure of Board. Mr. McCarty suggested the Board email him for suggestions, but asked Mr. Zeiszler to report anything the faculty has brought up as needs. Mr. Zeiszler reported that Justine Stout started the electronic devices to the manor.

8. Foundation Board Chair Report – Dr. Robert Colon.

Information Only

The Board may receive an update from the Board Chair.

No report was given.

9. Development Committee Report – Chris Johnson

Information Only

The Board may receive an update from the Development Committee.

- a. Discussion and possible approval to begin a multi-year \$1,000,000.00 Campaign for GBC Capital Projects. **Possible Action**

Trustee Johnson reported that the Committee either wanted approval or to inform the Board that they would like to move forward with a capital campaign for the welding project. Trustee Johnson explained that what they will do is reach out to mining and other companies to try to establish a lead gift as far as contributions towards project.

Chair Colon asked if this item is intended for approval of a capital campaign? Trustee Johnson replied yes, you get one shot at a capital campaign and we have been discussing the welding project, so it makes sense for Foundation to help. He explained the issues that campuses are having are, as far as maintenance, that it is hard to fund through the Foundation, so if the Foundation helped with the welding project then that frees up the College for the maintenance side. Trustee Johnson said if there is another need, then we would like to listen to it, but if this sounds like a good move then we would reach out to try to get a lead gift for a capital campaign for the welding project.

MSP to approve a multi-year \$1,000,000.00 capital campaign to be directed towards the welding project Roden; Pryor; unanimous.

- b. Discussion and possible approval to participate in Student laptop/electrical device drive. **Possible Action**

Trustee Johnson reported another idea that came up was an electrical device drive, which seems to be a need to the community, and he believes it is a good idea. Mr. McCarty informed the Board this idea is a result of Justine Stout's efforts. Mr. McCarty explained while the College had laptops, a request has been made for a donation of hard equipment by the community to the college to give, not to loan, to the students. Mr. McCarty explained the Foundation could accept and hold devices.

Chair Colon suggested it is at the discretion of the staff.

10. Executive Committee Report – Dr. Robert Colon.

Information Only

The Board may receive an update from the Executive Committee.

- a. Nomination and possible election of Board Vice Chair. **Possible Action**

Mr. McCarty informed the Board that the floor is open for nominations. Chair Colon informed the Board it will only be when I'm not present and to be on the Executive Committee.

No action was taken.

- b. Discussion and possible approval of a new Trustee.

Possible Action

Mr. McCarty informed the Board that person had withdrew.

No action was taken.

- c. Discussion and possible recruitment of a new Trustee.

Possible Action

Mr. McCarty stated that Trustee Laffoon has served on the Board for 15 years and this will be his last meeting. Mr. McCarty stated that will leave 13 members and there can be up to 30 members. Mr. McCarty said he has been in discussion with some prospects and report back to the Board at the September meeting. Mr. McCarty thanked Trustee Laffoon for his service. Chair Colon thanked Trustee Laffoon on behalf of the Board for his service.

No action was taken.

11. Finance Committee Report – James Glennon.

Information Only

The Board may receive an update from the Finance Committee.

- a. Accept Finance Committee Reports .

Possible Action

(Finance Committee did not meet in May due to lack of quorum)

Trustee Glennon informed the Board the Finance Committee was not able to meet in May and these reports would be forwarded to the Board for their approval anyways.

MSP to accept the Financial Committee Reports Gallagher; Laffoon; unanimous.

- b. Approve Finance Committee recommendation to disburse \$700.00 for the annual Hoop House Funding Request.

Possible Action

Mr. McCarty said this was discussed at March Finance Committee meeting for the Hoop House annual funding requested amount for disbursement of \$700.00. Chair Colon inquired if that is an increase from last year. Mr. McCarty replied that is a decrease of \$300.00, last year's request was \$1,000.00 to reinforce the outside liner with a new tarp. Chair Colon informed the Board the Hoop House is a greenhouse to grow vegetation to enhance the appearance of the College. Mr. McCarty said there is produce that they sell, and the funds are reinvested back into the Hoop House. Mr. Kleeb said they are working with Elko growers and there is a forum that occurs each year at the at College. He explained they are working with trace minerals for better tasting produce and they do not compete with the local growers. Mr. Kleeb also said this is used by GBC employees, that they take produce and donate, on an honor system, at Controllers office.

MSP to approve \$700.00 to the Hoop House McIntosh; Popp; unanimous.

12. Foundation Director Report – Matt McCarty

- a. Discussion and possible approval to accept Engagement Letter from Eide Bailly to provide audit services, including a full audit, for the Foundation. **Possible Action**

Mr. McCarty said this item is to accept Eide Bailly for the audit for this fiscal year, if we do not approve, we would seek another auditor, but we are six weeks out. Mr. McCarty said the fee is comparable to last year. Vice President Sibert stated the fee is approximately \$24,500.00 for the prep and audit.

MSP to approve the engagement letter from Eide Bailly for audit services in an amount not-to-exceed \$24,500.00 Roden; Wilson; unanimous.

- b. Discussion and possible approval of request from Great Basin College for support from the Foundation for up to \$500,000 for use in FY21 to help sustain their funds due to State of Nevada budget cuts from COVID-19. **Possible Action**

Vice President Sibert stated the Foundation approved the funds for FY20 to sustain funds to the FY19 levels and the College did not need the funds to cover 1.4 million deficit for FY19 and FY20. Vice President Sibert reported the College developed a plan to absorb that, however, now with additional proposed cuts of up to 14%, which for GBC ranges from \$838,000.00 to 2.5 million level, we see the need for assistance from the Foundation for services for students can remain at the same level. Vice President Sibert explained again this would be expenses that the College would incur and then seek reimbursement from the Foundation, if needed. Vice President Sibert explained if for some reason enrollment can be sustained, we would not need the \$500,000.00, however we want to be proactive. Vice President Sibert stated at the current status, we cannot sustain those levels and the funds would be used to cover part-time instructors' salaries, tutors, etc. for the success of the students' educational goals.

MSP to approve \$500,000.00 support from the Foundation to be used by the College Roden; Wilson

*****The motion passed. (11-1 Trustee Glennon opposed.)**

- c. Reconfirm \$50,000 Athletics Commitment. **Possible Action**
(Due to expected budget situation and delay in start of Athletics Program.)

Mr. McCarty said this item was just to make sure the Board was comfortable to move forward, we did receive the \$50,000.00 match in funds, but because of COVID this will not move forward until they meet with the Board of Regents in the Fall or Spring. Mr. McCarty stated if the Board does not want to move forward with this, we would need to refund the money. Mr. McCarty stated his recommendation it to hold this commitment, it is not money the Foundation is expending, and with the \$500,000.00 that was just pledged the operational account still has more than \$300,000.00 and that should last us another 2 to 2½ years with no money coming in.

MSP approve the Athletics Commitment in the amount of \$50,000.00 Roden; Laffoon; unanimous

d. Discussion and possible approval of FY21 Proposed Budget. **Possible Action**

Mr. McCarty informed the Board for FY21, Vice President Sibert suggested to split funds into four different funds, those funds being operations, scholarships, program directed, and capital. Mr. McCarty stated the bottom line is the operation account has a deficit of \$89,000.00 and the capital fund would have a deficit of \$817,000.00. Mr. McCarty explained for the capital fund, the money coming in is not enough for the money going out, provided Winnemucca is moving forward, and anticipation of spending half of that money in FY21, which is 3.5 million.

Mr. McCarty said under program support there are some disbursements going out and that would account for the \$29,000.00 deficit. He explained the large amount here is the athletics, if that program continues, and that is because we have already raised those funds. Mr. McCarty said the scholarships increased slightly, we are blessed to have investment and endowments, so it does not exceed what we are paying out.

Mr. McCarty explained the main reason the operational account would go into the negative is because of payroll. Mr. McCarty said there are four ways we receive money which includes: events; GBC support; admin fees; and the over investment fees which come from Morgan Stanley, so that produces \$167,000.00 in revenues. Mr. McCarty said he projected the audit at \$30,000.00, so that will reduce our deficit. The advertising is low, but at the same time we put \$3,000.00 in there to reach our alumni. Bank and credit card charges, dues subscription and memberships, etc. keep the office operating. Expenses payroll, insurance, etc. are fairly explanatory. Mr. McCarty he is in hopes the budget is easier to read and gives more information this way, but this does reduce the ending balance to operations by about 1 million dollars and with all funds we would have a reduction of about \$863,000.00 across all four funds, most of that the capital account.

MSP approve the projected budget for FY21 Roden; McIntosh; unanimous

e. Presentation, discussion and possible approval to enter into a 10-year Digital Wallet (PayPal, Venmo, etc.) processing contract with Paymentus. **Possible Action**

Mr. McCarty explained that currently all online giving is through Talisma, who handles are donor data base and processing of credit cards. He explained Paymentus would give the ability to go through digital wallets or other social payment types, i.e., PayPal, Venmo, Apple Pay, Google Pay, etc. Mr. McCarty said there is no cost but there is a percentage for credit card processing, but it is lower than Talisma or Square. Mr. McCarty stated it is a 10-year agreement so that is why this is on here to seek approval, formal or informal, from the Board. Chair Colon said that is a long time to commit. Mr. McCarty replied it is a long time, but Paymentus goes about different ways to pay and as they move forward, they will be processing new technology, and this does not restrict us to going to other vendors.

Chair Colon asked if this was an action item. Mr. McCarty stated he does not believe the policies and procedures require an action; this is just to give flexibility to the Board.

Chair Colon informed Mr. McCarty to handle as he sees fit.

- f. Update on the residence at the corner of Walnut and College Parkway. **Information Only**

Mr. McCarty explained that we did engage in that purchase and received the appraisal and the owner did not accept that and we could not counter. Mr. McCarty said It is not moving forward.

- g. Reschedule of Annual Dinner Dance to September 19,2020. **Information Only**

Mr. McCarty said this has been rescheduled for September 19, 2020 and the ECVA has been retained. He explained that some revenues and expenses that were applied in this fiscal year and will carry over.

- h. Elko Campus update. **Information Only**
1. CDL Program

Mr. McCarty said that they had to cancel classes and the next is set for July 1st. Mr. McCarty stated the instructor accepted another position, so we are looking for candidates by middle of June.

- i. Winnemucca Center update. **Information Only**
1. Status on Winnemucca Health Science and Technology Building.

Mr. McCarty stated the project is on hold until we hear back from the State Public Works to allow us to have the CMAR and the Design Professional to get us a guaranteed maximum price.

- j. Ely Center Update. **Information Only**
1. Nursing Program
2. Diesel Program

Mr. McCarty said both the Nursing and Diesel programs are continuing to go well and informed the Board there are now MTC scholarships available for Ely.

- k. NACUBO Seminar. **Information Only**

Mr. McCarty stated this is where we get data on the national level for colleges and there is no travel and he believes there is no cost but will follow up with the Board.

13. Items from Board Members . Information Only

Board members may bring to the attention of the board items pertaining to the Foundation that might be of interest. No action may be taken on a matter raised under this agenda item, though items may be designated to be added to the next agenda.

Chair Colon thanked Trustee Laffoon for his years of service.

14. Public Comment *(see notation below regarding public comment).*

Information Only

Vice President Sibert thanked the Board and appreciates the Foundation's support of the College for the last two years to keep the level of operations to ensure the success of the students.

Mr. McCarty reported the next meetings will be:

Finance Committee: September 3, 2020

Development Committee: September 10, 2020

Full Board: September 17, 2020

Mr. McCarty again thanked Trustee Laffoon for his time and mentorship.

Adjourn 1:53 p.m.